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AUTHOR	Morra, Linda G.
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ABSTRACT

At least 154 programs administered by 14 federal departments and agencies provide about $25 billion in employment training assistance. Faced with stiff global competition, corporate restructuring, and continuing federal budget constraints, the federal government can no longer afford to invest in a system that may waste resources and may not help people better compete for jobs. Despite decades of efforts to improve coordination of employment training program, conflicting eligibility requirements and differences in annual operating cycles are hampering the ability of programs to provide participants with needed services. Six different standards for defining "low income," five definitions of family or household, and five definitions of what is included in income make determining who is "economically disadvantaged" a complex process. Similarly, differences in age criteria for older worker and youth programs turn coordination into a jigsaw puzzle. Collectively, the current array of programs confuses and frustrates clients and program administrators, hampers the delivery of services tailored to clients' needs, and adds unnecessary administrative costs. Further, some programs do not have adequate tracking systems to know whether participants obtain jobs. A major structural overhaul is needed to create a customer-driven system that embodies four guiding principles: simplicity, tailored services, administrative efficiency, and accountability. (Twelve tables and charts that provide additional information are appended.) (YLB)

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MULTIPLE EMPLOYMENT TRAINING PROGRAMS

Conflicting Requirements Underscore Need For Change

Statement of Linda G. Morra, Director
Education and Employment Issues
Health, Education, and Human Services Division

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SUMMARY OF TESTIMONY BY LINDA G. MORRA
MULTIPLE EMPLOYMENT TRAINING PROGRAMS
CONFLICTING REQUIREMENTS UNDERSCORE NEED FOR CHANGE

By our count, at least 154 programs administered by 14 federal Departments and agencies provide about $25 billion in employment training assistance. Faced with stiff global competition, corporate restructuring, and continuing federal budget constraints, the federal government can no longer afford to invest in a system that may waste resources and may not help people better compete for jobs.

CONFLICTING REQUIREMENTS HAMPER DELIVERY OF NEEDED SERVICES

Despite decades of efforts to better coordinate employment training programs, conflicting eligibility requirements and differences in annual operating cycles are hampering the ability of programs to provide participants needed services. Six different standards for defining "low income," five definitions of family or household, and five definitions of what is included in income make determining who is "economically disadvantaged" a complex process. Similarly, differences in age criteria for older worker and youth programs turn coordination into a "jigsaw puzzle."

OTHER PROBLEMS PLAGUE THE CURRENT FRAGMENTED SYSTEM

Collectively, the current array of programs (1) confuses and frustrates clients and program administrators, (2) hampers the delivery of services tailored to clients' needs, and (3) adds unnecessary administrative costs. Further, some programs do not have adequate tracking systems to know whether participants obtain jobs.

RECONCILING PROGRAM DIFFERENCES--A MOVE IN THE RIGHT DIRECTION

While many approaches could be used to improve the system, we are convinced that a major structural overhaul and consolidation of employment training programs is needed to create a customer-driven system that embodies four guiding principles: (1) simplicity, (2) tailored services, (3) administrative efficiency, and (4) accountability. However, consolidation will not be easy and will not take place overnight. In the interim, the Congress and the administration, along with representatives from state and local programs, could work together to identify and eliminate differences in program requirements, such as eligibility criteria and annual operating cycles, that hamper coordination and the delivery of needed services.

Mr. Chairman and Members of the Subcommittee:

We are pleased to be here today to discuss the results of our work concerning the fragmented "system" of employment training programs and the conflicting program requirements that hamper the delivery of needed services. By our count, at least 154 programs administered by 14 federal Departments and agencies provide about $25 billion in assistance to out-of-school youth and adults not enrolled in advanced-degree programs to enhance their skills or employment opportunities. Unfortunately, many of these programs have their own policies, procedures, and requirements.

Our testimony, today, is based on a report prepared at the request of this Subcommittee,[1] and our recent work addressing the federal employment training system,[2] as well as on the work of other prominent organizations. The report prepared for this Subcommittee focuses on how programs serving the same target populations differ in their (1) eligibility requirements and (2) annual operating cycles. We looked at 38 programs that target their assistance to four populations--economically disadvantaged, older, younger, and dislocated workers--at an estimated cost of $8.1 billion.[3] In our analysis of the programs serving each target population, we reviewed the statutes, regulations, and agency documents concerning eligibility and operating cycles. We also held discussions with state and local administrators concerning program requirements.

Faced with stiff global competition, corporate restructuring, and continuing federal budget constraints, the federal government can no longer afford to invest in a system that may waste resources and may not help people better compete for jobs. When reviewed individually, the programs providing employment training assistance have well-intended purposes. However, collectively they create confusion and frustration for their clients and administrators, hamper the delivery of services tailored to the needs of those seeking assistance, and create the potential for duplication of effort and unnecessary administrative costs. In addition, some programs lack basic tracking and monitoring systems needed to ensure that assistance is provided efficiently and effectively.

While many approaches could be used to improve the system, as it is currently configured, we are convinced that a major structural overhaul and consolidation of employment training programs is needed to create a customer-driven system that embodies four guiding principles: (1) simplicity, (2) tailored services, (3) administrative efficiency, and (4) accountability. However, consolidation will not be easy and will not take place overnight. In the interim, the Congress and the administration, along with representatives from state and

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[1]Multiple Employment Training Programs: Conflicting Requirements Hamper Delivery of Services (GAO/HEHS-94-78, Jan. 28, 1994).

[2]See appendix I for a listing of related GAO products.

[3]See appendix II for a list of the programs included in our analysis.

local programs, could work together to identify and eliminate differences in program requirements that hamper coordination and the delivery of needed services.

CURRENT FRAGMENTED SYSTEM ADMINISTERED BY 14 FEDERAL DEPARTMENTS

The ability of the United States to compete in the international marketplace depends, to a great extent, on the skills of its workers. Over the years, the federal government's commitment to enhancing workforce quality has been substantial. Our analysis of the President's proposed fiscal year 1994 budget identified at least 154 federal programs or funding streams, as we mentioned earlier, that requested an estimated $25 billion to provide assistance to out-of-school youth and adults.

Most of these programs are administered by the two agencies typically responsible for enhancing worker skills or training. The Department of Education is responsible for 60 such programs, and the Department of Labor is responsible for 36. However, some are administered by Departments that would not generally be expected to provide employment training assistance, such as the Departments of Agriculture (USDA) and Housing and Urban Development (HUD).

Our analysis shows that many programs target the same client populations. For example, veterans are specifically targeted by the largest number of programs (18); other target groups--such as youth, Native Americans, the economically disadvantaged, and dislocated workers--are also targeted by several programs. (See app. III for a list of the target populations.) Many of the programs targeting the same client populations have similar goals, serve the same categories of people, and provide many of the same services.[4]

For example, each of the nine programs that specifically target the economically disadvantaged have the goal of enhancing clients' participation in the workforce, and four of the nine programs specifically mention reducing welfare dependency as a primary goal. These nine programs also serve the same categories of clients. Although the JOBS program was specifically created to help Aid to Families With Dependent Children (AFDC) recipients, Labor's JTPA title IIA program also served more than 136,000 AFDC recipients in 1991. Similarly, while the Department of Agriculture's Food Stamp Employment and Training (E&T) program was created to help Food Stamp recipients, Labor's JTPA program served more than 100,000 Food Stamp recipients in 1991. And, they provide participants with the same general set of services. Of the 27 different kinds of services in five basic areas--(1) career counseling and skills assessment, (2) remedial education, (3) vocational skill training, (4) placement assistance, and (5) support services--the JTPA title IIA program offers 24 services; the JOBS program offers 17; and the Food Stamp E&T program offers 18.

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[4]This is not meant to imply that clients are receiving the same service, like classroom training, from two separate programs.

To deliver these services, the federal government has created a patchwork of parallel administrative structures. Within 14 Departments and independent agencies, 35 interdepartmental offices channel funds to state and local program administrators. (See app. IV for a chart of the federal departments and agencies with programs that provide employment training assistance.) For example, five different federal Departments--USDA, Education, HHS, HUD, and Labor--administer the nine programs that target the economically disadvantaged. Each provides staff and incurs costs, both at headquarters and regional locations, to plan and monitor these programs. And, each has its own set of policies, procedures, and requirements.

At state and local levels, similar and often parallel structures have been established to administer the delivery of services. For example, the JTPA program funds about 630 service delivery areas (SDAs) to administer the delivery of services at the local level. Also, the JOBS and Food Stamp E&T programs both fund numerous local offices, primarily using networks of state and, sometimes, county-run welfare offices to administer program services.

PROBLEMS INHERENT IN THE CURRENT FRAGMENTED SYSTEM

The many overlapping federal employment training programs create a system that confuses and frustrates clients, hampers the delivery of services tailored to the needs of clients, adds unnecessary administrative costs, and, at best, raises questions about the effectiveness of individual programs, as well as the system as a whole.

Clients, Employers, and Administrators Often Confused and Frustrated

The current patchwork of employment training programs creates confusion for those seeking assistance because it has no clear entry points, no clear path from one program to another, and programs have complex eligibility requirements. Even if people find a local agency, they face a burdensome intake process, often including lengthy application forms, to determine whether they are eligible for services.

Employers also experience problems with the fragmented system of employment training programs. Employers want a system that is easy to access and provides qualified job candidates. Instead, employers must cope with over 50 programs that provide job referral and placement assistance. And, in a survey of employers in the state of Washington, 60 percent of employers said they had difficulty finding qualified workers, and 31 percent said employment training programs were too slow in responding to their need for qualified workers.[5]

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[5]The Investment in Human Capital Study, State of Washington Office of Financial Management (Dec. 1990).

Finally, despite decades of attempts to better coordinate employment training programs, program administrators continue to face conflicting program requirements that hamper efforts to coordinate activities and share resources to ensure that program participants get needed services. As one state administrator commented, "The aim of case management is to access various programs in order to deliver the best services possible to clients. However, conflicting requirements turn coordination into a jigsaw puzzle...."

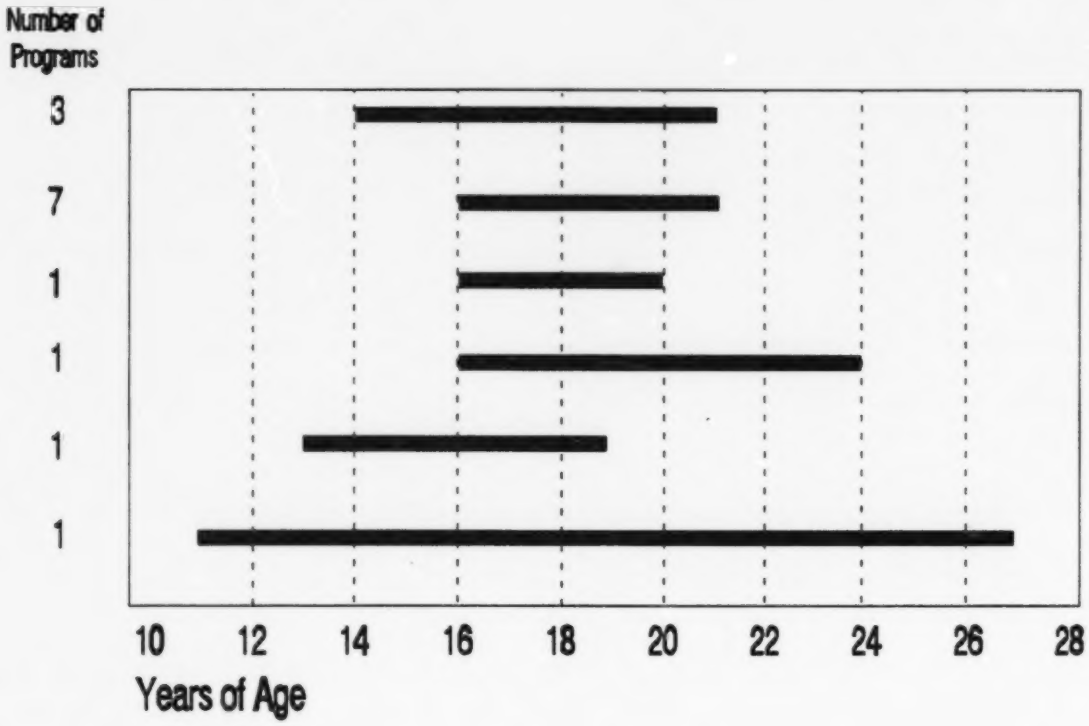
To illustrate the problems administrators face in coordinating programs, we found significant differences in the eligibility criteria for each of the four target groups we analyzed. For example, in our analysis of the nine programs targeting the economically disadvantaged, we found six different standards for defining "low income," five different definitions for family or household, and five definitions of what is included in income.

For instance, in defining low income, one program uses the HHS official poverty guideline; however, another program uses 130 percent of the HHS guideline and yet another program does not use the HHS guideline, but uses the Bureau of Census Threshold instead. In defining family or household assistance unit, some programs include "persons related by blood, marriage, or court decree"; other programs include "other unrelated persons if needed by child" and still others as "those who purchase and cook food together." In defining income, some programs include Unemployment Insurance benefits; others do not. Some use IRS taxable income, while still others count only part of earnings--exempting the first $30 or 20 percent of earned income.

The result is not only confusion, but, in some instances, the denial of services. For example, a member of a family of four with an income of $20,040 would be considered "disadvantaged" and eligible for services from one program, but the same $20,040 income exceeds another program's definition of "disadvantaged," making the family member ineligible for services from that program. (See apps. V, VI, and VII for the different standards used in each of the programs that target the economically disadvantaged.)

In addition to differences in income, we found differences in age criteria for programs serving older workers and youth. For example, some programs targeting older workers define "older worker" as a minimum of 55 years of age; others use a minimum of 60 years. Similarly, programs use six different definitions of youth in determining eligibility. As shown in figure 1, 9 of the 14 programs use the lower age limit of 16 years of age for eligibility; other programs allow youths as young as 11 years of age to participate in their programs. As for the upper limits, some programs allow participation up to 19 years of age while others allow participation up to age 27. (See apps. VIII and IX for more information on the age criteria used by older worker programs and youth programs.)

Figure 1: Lower and Upper Age Limits Differ Among Youth Programs



Note: Analysis based on 14 of the 16 youth programs. For the other two programs, one does not establish an age limit; and the other program was proposed, without eligibility criteria, in the fiscal year 94 budget.

Similar differences in eligibility criteria are also found in the nine dislocated worker programs established to ensure that dislocated workers have access to reemployment assistance. For example, programs differ in their criteria for "job loss." Although most dislocated worker programs accept a layoff or termination notice as proof of job loss and eligibility for services, three programs restrict access depending on hire and separation dates. These differences may result in workers being denied access to program services. (See app. X for more information on each program's definition of what constitutes a job loss.)

A 1991 survey of state and local program administrators identified more than 80 commonly used terms and definitions that administrators believe should be standardized.[6]

[6]Streamlining and Integrating Human Resource Development Service for Adults, National Governors' Association (Washington, D.C., 1991).

The most frequently identified terms are shown in table 1. (For a complete list of terms, see app. XI.)

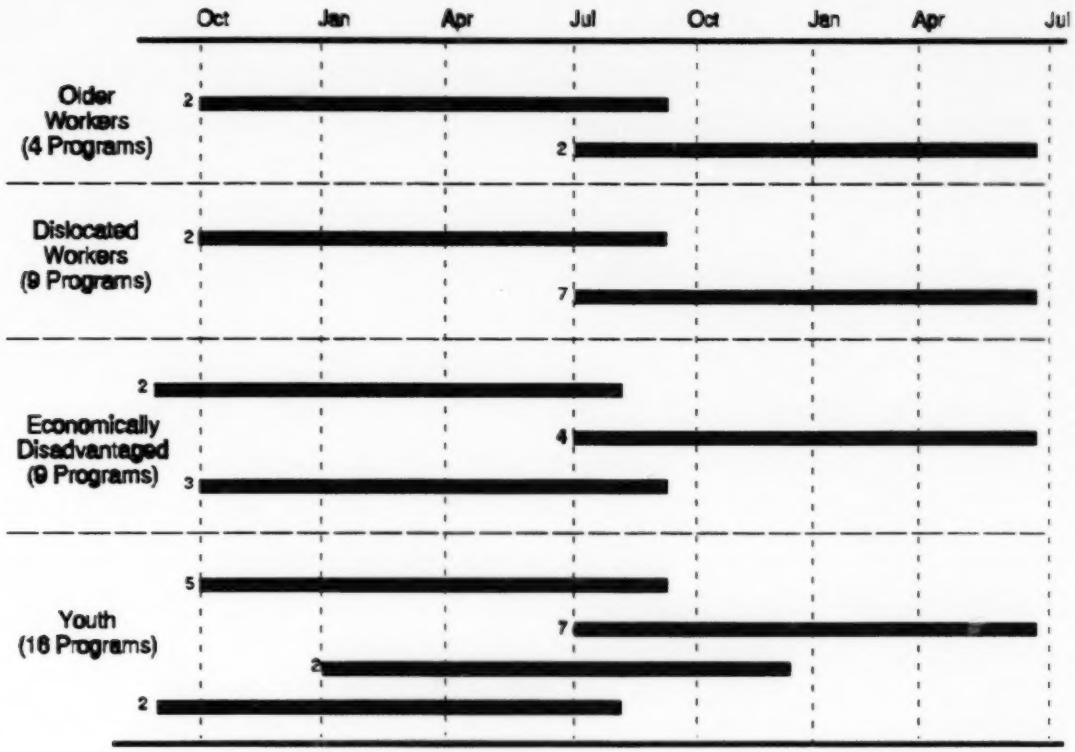
Table 1: Terms that Program Administrators Most Frequently Recommended for Standardization

Long-term welfare recipient
Displaced homemaker
Literacy
Participant
Family
Personal income
Individual
Job placement
Termination
Entered employment
Family income
Enrollment
Educational placement
Case closure
Allowable support services
Economically disadvantaged

In addition to differences in terms and definitions, another problem facing administrators attempting to coordinate their programs is the difference in program operating cycles. We found that programs targeted to the four populations included in our analysis--older workers, dislocated workers, the economically disadvantaged, and youth--often operate on different annual cycles, which hampers the ability of program administrators to jointly plan and coordinate assistance. As shown in figure 2, most programs (20) operated on the basis of a program year (July 1-June 30); 12 programs operated on the federal fiscal year (October 1-September 30); 4 programs operated on an academic year (September 1-August 31); and 2 programs operated on a calendar year (January 1-December 31). (See app. XII for a chart of different operating cycles used by programs targeting each of the four populations.)

Figure 2: Programs Differ in Definition of Annual Operating Cycle

These differences make it difficult for administrators, attempting to coordinate their programs, to match available funding with estimates of the number of those seeking assistance. To accomplish joint planning, agencies must resort to several circuitous strategies. According to local administrators, some officials set low estimates of the number of clients from other programs they can serve; other officials only commit resources they know will be available, but contribute additional resources if they become available at a later time. Other



agencies make such commitments contingent on expected funding, so they are not held to prior commitments when their expected funding levels are not realized. Unfortunately, these methods can result in the underutilization of available resources or crisis planning when resources are available.

One state administrator commented that although coordination is hampered by many service delivery barriers, such as conflicting eligibility requirements, other barriers, such as differing operating cycles, are hampered by the process or "mechanics" of administering programs. Accordingly, in his view, establishing a standard operating year would be "the key to start the car"--the impetus needed to begin collaborative planning leading to successful coordination.

Programs Frequently Do Not Tailor Assistance to Job Seeker Needs

Because of prior experiences or training, all clients do not need the same set of services. To get the most from the assistance provided, job seekers must be able to access the services tailored to their specific needs. However, some programs may not provide all the services

needed and accessing other programs may be hampered by conflicting eligibility requirements.

For example, the JTPA program provides skill training and the Senior Community Service Employment Program (SCSEP), authorized by the Older Americans Act, provides work experience. Both the JTPA and the SCSEP define an "older worker" as one 55 years of age or older. However, SCSEP gives service priority to those applicants 60 years of age and older. As a result, displaced homemakers,[7] who are 55 to 59 and need both skill training and work experience, may not be able to get work experience because of the differences in eligibility criteria.

Similarly, dislocated workers are served primarily by two programs--Trade Adjustment Assistance (TAA) and Economic Dislocation and Worker Adjustment Assistance (EDWAA). TAA provides workers income support and long-term classroom training, but few receive on-the-job training. In contrast, dislocated workers served by EDWAA do not receive income support. They also usually receive shorter term training, but they have greater access to on-the-job training. Because of differences in eligibility requirements, dislocated workers participating in EDWAA do not have access to the same services as dislocated workers participating in TAA.

In addition, because local service providers, who are under contract with local employment training programs, often do their own outreach and have a financial stake in directing clients to their own program or are isolated from one another, little attempt is generally made to refer clients to other programs. As a result, some clients may not receive independent assessments to determine their needs. For example, many JTPA title IIA[8] sites do not provide independent assessments, but rely on service providers to make the assessments. This gives these service providers the opportunity to selectively steer participants to the training they offer, rather than refer them to other service providers.

Another reason program participants may not receive assistance tailored to their needs is that some service providers do not have strong links with employers. Without this information, program administrators cannot determine whether their training is adequately preparing participants for work. Labor market information can help program administrators make decisions about the types of training that would be most appropriate to prepare their participants for the local job market.[9] Several federal programs support development of labor market information--including the collection and dissemination of labor market data through

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[7]An individual who was a full-time homemaker for a substantial number of years and derived the substantial share of his or her support from a spouse and no longer receives such support.

[8]JTPA title IIA programs provide assistance to the economically disadvantaged.

[9]Labor market information is data produced on a regular basis about employment, unemployment, jobs, and workers.

publications and public databases. However, this information is often difficult for program administrators to use because it is not tailored to local labor markets.

Program Overlap Can Add Unnecessary Administrative Costs

The amount of money spent on administering employment training programs cannot be readily quantified. Estimates of administrative costs range as low as 7 percent for some programs to as high as 15 or 20 percent for others; some programs do not track administrative costs at all. Both the National Commission for Employment Policy[10] and the Welfare Simplification and Coordination Advisory Committee[11] agree that programs could realize substantial savings if they did not operate independently, supporting separate administrative structures. The Welfare Simplification Committee report concluded, "Eliminating duplicate bureaucracies will reduce administrative costs, saving money that can be used, instead, for client services."

Eliminating separate staffs to administer, monitor, and evaluate programs at the state and local levels could also save resources. For example, to help reduce overlap among programs, some state officials have decided that the JTPA, JOBS, and the Food Stamp E&T programs are so similar that it would be more efficient to combine the resources from these programs to provide client services. In the state of Washington, for example, the human services department contracts with the state's employment service department for the administration of its Food Stamp E&T program. At the local level, Washington's human service agencies refer Food Stamp clients to the state's employment service offices for employment training assistance.

Special arrangements at the state or local level to better coordinate services among overlapping programs may be more efficient than operating programs separately or in competition with one another. However, such arrangements can increase the overall administrative costs of these programs. For example, we identified 21 separate federal and state committees or councils with responsibilities for interprogram coordination. Many of these councils operate with federal funding, some with their own staffs and expense accounts. However, a recent survey of state officials found that less than half thought that such efforts actually improved coordination.[12]

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[10]Coordinating Federal Assistance Programs for the Economically Disadvantaged: Recommendations and Background Materials, National Commission for Employment Policy (Washington, D.C., 1991).

[11]Time for Change: Remaking the Nation's Welfare System, Report of the Welfare Simplification and Coordination Advisory Committee (Washington, D.C, 1993).

[12]Edward T. Jennings, Jr., "Building Bridges in the Intergovernmental Arena: Coordinating Employment and Training programs in the American States," Public Administration Review, Vol. 54, No. 11 (1994).

The federal government also uses set-aside programs and demonstration projects to look for ways to enhance coordination among programs. The JTPA State Education Coordination and Grants program--with $82 million in funding proposed for fiscal year 1994--was designed, in part, to "...facilitate coordination of education and training services." However, a study by the National Commission for Employment Policy reported that the track record of such set-asides in improving coordination has been mixed.[13]

System Lacks Accountability

Another concern with the fragmented system is that efforts to monitor program performance and outcomes are difficult because some programs cannot readily track participant progress across programs and, sometimes, within programs.[14] For example, until recently, the JTPA title IIA program for economically disadvantaged adults tracked activity by individual funding stream, rather than by individual participant. To gather information on services received by a client from this one program, evaluators or local administrators would have to tap into as many as four separate databases. Further, this does not include information on the services the individual may have received from other programs.[15]

Similarly, the TAA program for dislocated workers lacks the basic tracking system needed to ensure that assistance is provided effectively and efficiently.[16] The TAA program has no established performance goals, thus there is little impetus for states to track participant progress or program performance. Even when states collect information on their own, they do not collect the same types of information or their definitions are not consistent. Without basic information on who the program served, the services they received, and how they fared after completing training both in the short and long term, no determination can be made about how the program is performing or what can be done to improve performance. Studies of the TAA program by the Department of Labor Inspector General and Mathematica also found that data on the program were either not collected or were inaccurate and inconsistent.

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[13]Coordinating Federal Assistance Programs for the Economically Disadvantaged: Recommendations and Background Materials, National Commission for Employment Policy (Washington, D.C., 1991).

[14]We are currently studying this issue in more detail and expect our report to be available shortly.

[15]Multiple Employment Programs: National Employment Strategy Needed (GAO/T-HRD-93-27, June 18, 1993).

[16]Dislocated Workers: Proposed Re-employment Assistance Program (GAO/HRD-94-61, Nov. 12, 1993).

Our prior work concerning JTPA programs also indicated that inadequate federal and state monitoring has left programs vulnerable to waste, abuse, and mismanagement.[17] Federal oversight has not been directed at identifying improper practices or providing reasonable assurance that the program operates in accordance with the law, regulations, and sound management practices. Rather, federal oversight consists primarily of broad policy guidance, limited technical assistance, and minimal scrutiny of program implementation and operation.

In the Employment Service program, we found that federal monitoring activities only provided assurance that states comply with the bare minimum required by applicable laws and regulations.[18] This provides a very narrow picture of program performance and little substantive information about how states manage their programs or how local offices operate or perform. While compliance with program requirements is an important concern, the failure to consider other factors, such as participant outcomes, as a part of the oversight efforts can result in agencies' inability to identify local projects that are having performance successes or difficulties.

RESTRUCTURING THE CURRENT ARRAY OF PROGRAMS

While much debate has occurred about how to fix the system, our work, as well as that of numerous researchers, suggests that the new system needs to be customer-oriented. Its chief goals should be to help clients acquire the skills needed to become productively employed and to help employers locate qualified job candidates. Designing the new system, and determining the client populations to be served, will not be easy.

We believe that a new system should be free from conflicting requirements that hamper coordination and the delivery of needed services. A system consisting of significantly fewer programs affords the best opportunity for designing an employment training system that eliminates conflicting requirements and improves the quality of employment training programs.

One approach could be to build a new system around a specific number of target populations. This is similar to the administration's suggestion in its draft proposal to consolidate all dislocated worker programs into one comprehensive program to serve this target population. Similarly, the National Commission for Employment Policy has recommended consolidating employment training programs for the disadvantaged, and the Welfare Simplification and Coordination Advisory Committee has endorsed this

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[17]Job Training Partnership Act: Inadequate Oversight Leaves Program Vulnerable to Waste, Abuse, and Mismanagement (GAO/HRD-91-97, July 1991).

[18]Employment Service: Improved Leadership Needed for Better Performance (GAO/HRD-91-88, Aug. 6, 1991).

recommendation. Whether the administration will also propose to consolidate programs for the economically disadvantaged under its welfare reform proposal is unknown.

These proposals could be the first step in creating a comprehensive system. However, one issue that must be addressed concerns the role of general purpose programs, such as the Employment Service, in a new comprehensive system.

Another issue that must be addressed is deciding which client populations to serve and what services to provide. Until the consequences of such changes are studied, a good strategy may be to hold the level of services available to individuals constant. However, as the new system comes on-line, the Congress will need to focus more intently on determining the appropriate "basket of services" for each client population, as well as their costs. This will likely happen as the Congress prepares to consider the administration's proposal for consolidating dislocated worker assistance programs.

Even when approaching reform from the perspective of eliminating conflicting requirements, the issue of which clients are to be served remains a significant challenge. Establishing standard eligibility requirements for a particular set of programs could have major access and funding implications. For example, narrowly defined eligibility may tend to restrict access and hold down costs, while a broader eligibility standard could open the program to more people, but increase costs.

Still another important aspect of designing a new system is getting the input and support of a wide range of major stakeholders, such as state and local governments, employers, representatives of client groups, and service providers. This process could build on the best practices of federal, state, and local government efforts, as well as look to innovations of business, client groups, and service providers. These stakeholders could help design a system that has as its framework clearly defined goals, desired outcomes, and accountability built in, yet affords state and local officials the flexibility to responsibly tailor services to meet client needs. The system should also provide for state and local innovations.

GUIDING PRINCIPLES TO IMPROVE SYSTEM

As the Congress addresses the problems in the nation's employment training system, there are a variety of approaches to improve the employment training system. Our work, as well as that of numerous researchers suggests, that whatever the new structure, it should embody four guiding principles: (1) simplicity, (2) tailored services, (3) administrative efficiency, and (4) accountability.

Simplicity is the first guiding principle to consider in designing an employment training system that is customer-driven. The multiplicity of problems in the current system of programs leads us to the conclusion that the structure must be simplified and shaped into a real system. Such a system should be easily accessible by all who seek assistance, including clients seeking jobs and employers seeking workers. In addition, the system structure should

be simple, meaning that related activities, such as economic development, should be integrated with employment training activities.

The second guiding principle is tailoring services to clients' needs. This means providing the services to clients that are most likely to result in successful job placement at appropriate wages. It also means providing services at the right time. For workers about to be dislocated, that means at or before they are laid off. Tailoring services also means providing the services that employers need, whether identifying skilled workers or upgrading the skills of their current workers.

The third guiding principle is administrative efficiency. As discussed, the current array of programs hampers effective delivery of services and adds unnecessary administrative costs. Many of the system's inefficiencies can be traced to fragmented, uncoordinated program design. Streamlining administrative activities and eliminating redundancies will make the system considerably more efficient.

The last guiding principle is accountability. This involves having a balanced, integrated strategy of program and financial integrity, a focus on achieving desired outcomes, and a means for periodically assessing program effectiveness. Clearly defined goals and desired outcomes are the cornerstones of such a strategy.

CONCLUSION

While many approaches could be used to improve the employment training system, we are convinced that a major structural overhaul and consolidation of employment training programs is needed to create an employment training system that will help the United States meet the challenges of an increasingly competitive world. The new system needs to be customer-oriented, with its chief goals to help workers and employers, and embody the four guiding principles just mentioned: (1) simplicity, (2) tailored services, (3) administrative efficiency, and (4) accountability. However, history tells us that designing and implementing a new system will not be easy and will not be accomplished overnight. As a result, interim measures may be appropriate as a means to identify and eliminate differences in program requirements, such as eligibility criteria and annual operating cycles, that hamper coordination and the delivery of needed services.

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Mr. Chairman, that concludes my prepared statement. At this time, I will be happy to answer any questions you or other members of the Subcommittee may have.

RELATED GAO PRODUCTS

Multiple Employment Training Programs: Major Overhaul Is Needed (GAO/T-HEHS-94-109, Mar. 3, 1994).

Multiple Employment Training Programs: Conflicting Requirements Hamper Delivery of Services (GAO/HEHS-94-78, Jan. 28, 1994).

Multiple Employment Training Programs: Overlapping Programs Can Add Unnecessary Administrative Costs (GAO/HEHS-94-80, Jan. 28, 1994).

Multiple Employment Programs: National Employment Strategy Needed (GAO/T-HRD-93-27, June 18, 1993).

The Job Training Partnership Act: Potential for Program Improvements But National Job Training Strategy Needed
(GAO/T-HRD-93-18, April 29, 1993).

Multiple Employment Programs (GAO/HRD-93-26R, June 15, 1993).

Multiple Employment Programs (GAO/HRD-92-39R, July 24, 1992).

FOUR TARGET GROUPS INCLUDED IN ANALYSIS

Target group	Program	FY'94 proposed funding (in millions)
Economically Disadvantaged	JTPA IIA Training Services for the Disadvantaged-Adult	$ 793.1
	JTPA IIA State Education Programs	82.4
	JTPA IIA Incentive Grants	51.5
	Job Opportunities and Basic Skills Training	825.0
	Food Stamp Employment and Training	162.7
	Family Self-Sufficiency Program	[a]
	Vocational Education-Basic State Programs	717.5
	Educational Opportunity Centers	23.3
	Student Literacy Corps	6.1
	Subtotal	2,661.6
Older Workers	Senior Community Service Employment Program	421.1
	JTPA IIA Training Program for Older Individuals	51.5
	Foster Grandparent Program	66.4
	Senior Companion Program	29.2
	Subtotal	568.2
Youth	JTPA IIC Disadvantaged Youth	563.1
	JTPA IIC Disadvantaged Youth-Incentive Grants	34.3
	JTPA IIC Disadvantaged Youth-State Education Programs	54.9
	JTPA IIB Training Services for the Disadvantaged-Summer Youth Employment and Training Program (Regular)	1,688.8
	JTPA IIB Summer Youth Employment and Training Program (Native American)	[b]
	JTPA Job Corps	1,153.7
	Youth Fair Chance	25.0
	Transitional Living for Runaway and Homeless Youth	11.8
	Independent Living	16.2

Target group	Program	FY'94 proposed funding (in millions)
Youth (con't)	School Dropout Demonstration Assistance	37.7
	Vocational Education-Community Based Organizations	11.8
	Upward Bound	160.5
	Talent Search	67.0
	School to Work	135.0
	Federal Employment for Disadvantaged Youth-Summer	[c]
	Youthbuild	88.0
	Subtotal	4,047.8
Dislocated Workers	JTPA EDWAA-Dislocated Workers (Substate Allotment)	229.5[d]
	JTPA EDWAA-Dislocated Workers (Governor's Discretionary)	229.5[d]
	JTPA EDWAA-Dislocated Workers (Secretary's Discretionary)	114.7[d]
	JTPA Defense Conversion Adjustment Program	[e]
	JTPA Clean Air Employment Transition Assistance	[f]
	JTPA Defense Diversification	[g]
	Trade Adjustment Assistance-Workers	215.0
	Vocational Education-Demonstration Centers for the Retraining of Dislocated Workers	[h]
	Transition Assistance Program	66.8
	Subtotal	855.5
	Total for target groups analyzed	$ 8,133.1

[a]Family Self-Sufficiency Program: job training, education, and support services are paid for by other programs, such as JOBS and JTPA. Federal funds may be used to cover local administrative costs. For fiscal year 1993, appropriations for operating subsidies permit the payment of $25.9 million to cover the administrative costs of operating the Family Self-Sufficiency program.

[b]JTPA IIB Summer Youth Employment and Training Program (Native American): funding included in JTPA IIB (Regular) program total.

[c]Federal Employment for Disadvantaged Youth-Summer: program coordinated by Office of Personnel Management, but carried out by numerous federal agencies. Obligations devoted to administration not separately identifiable.

[d]The actual funding for the JTPA Title III EDWAA program was increased significantly from the budget request dated April 8, 1993. The proposed funding for substate areas of $229.5 million was increased to $537 million. The proposed funding for the EDWAA Governor's Discretionary Fund was also $229.5 million, but was increased to $357 million. Similarly, the Secretary's Discretionary Fund was increased from $114.7 million to $223 million.

[e]JTPA Defense Conversion Adjustment Program: funds allocated in 1991 used to support programs in out years until funding is depleted.

[f]JTPA Clean Air Employment Transition Assistance: no funds were appropriated for the Clean Air Act in fiscal year 1994.

[g]JTPA Defense Diversification: funds allocated in 1993 used to support programs in out years until funding is depleted.

[h]Data not available at this time.

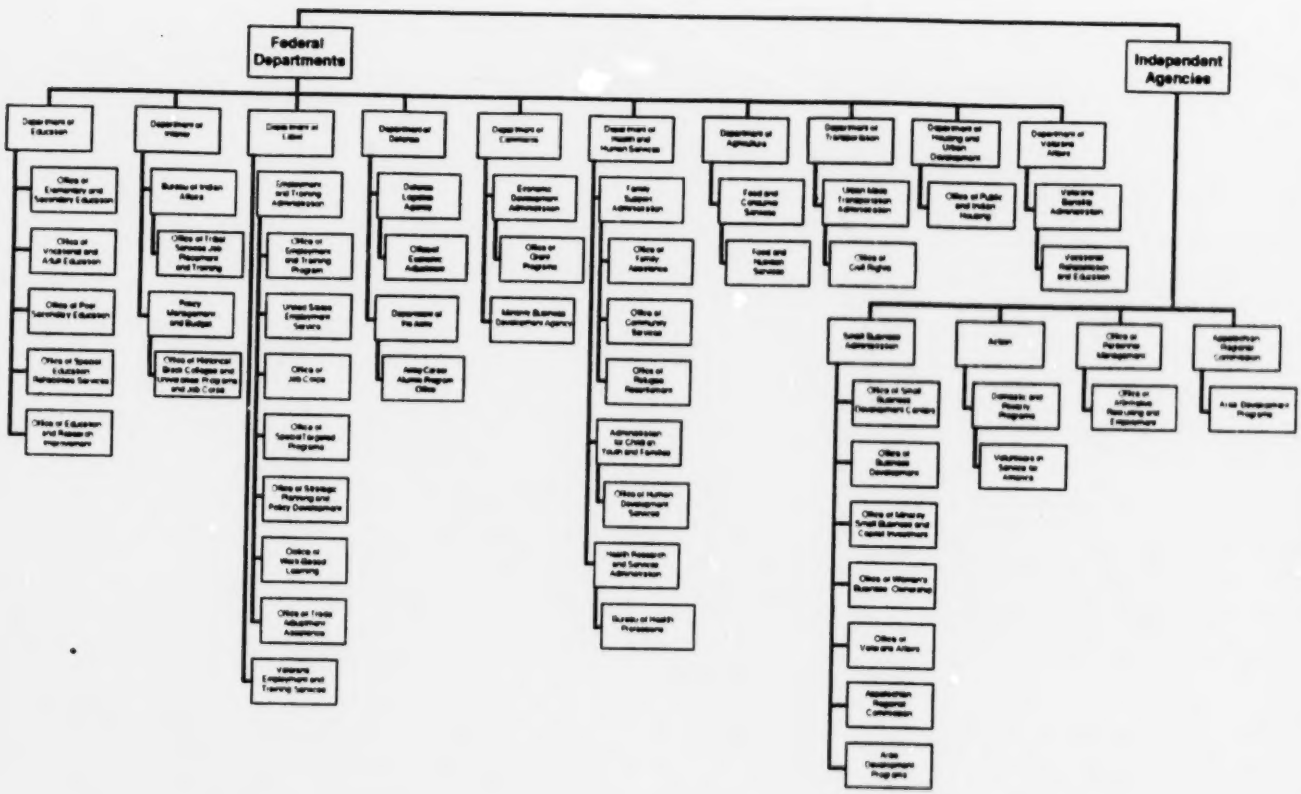
NUMBER OF EMPLOYMENT TRAINING PROGRAMS, AGENCIES, AND PROPOSED FISCAL YEAR 1994 FUNDING BY TARGET GROUP

Target group	Programs	Agencies	Fiscal year 1994 proposed funding (in millions)
Veterans	18	4	$1,584.4
Youth	16	5	4,047.8
Native Americans	10	4	114.0
Economically disadvantaged	9	5	2,661.6
Dislocated workers	9	3	855.5
Homeless	6	4	244.8
Women/minorities	6	3	89.8
Migrant	5	2	92.6
Older workers	4	2	568.2
Refugee	4	1	946.8
Programs not classified[a]	67	9	13,632.2
Total	154	14	$ 24,837.7

[a]Programs not classified include those that (1) do not target any specific group, such as the Employment Service, and (2) target geographic areas rather than populations or other miscellaneous programs, such as Labor's Federal Bonding program, which provides financial bonds as insurance to encourage employers to hire high-risk applicants, like ex-offenders or former drug addicts.

APPENDIX IV

EXECUTIVE BRANCH AGENCIES RESPONSIBLE FOR EMPLOYMENT TRAINING PROGRAMS



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DIFFERENT STANDARDS FOR MEASURING INCOME USED BY PROGRAMS TARGETING ECONOMICALLY DISADVANTAGED

Program	Income does not exceed...					
	HHS Official Poverty Guidelines		Lower Living Standard Income Level	Area Median Family Income	Bureau of Census Poverty Threshold	
	100%	130%	70%		100%	150%
JTPA IIA Disadvantaged Adults	X[a]		X			
JTPA IIA State Education Programs	X		X			
JTPA IIA Incentive Grants	X		X			
Job Opportunities and Basic Skills[b]						
Food Stamp Employment and Training	X[c]	X				
Family Self-Sufficiency Program				X[d]		
Educational Opportunity Centers						X
Vocational Education-Basic State Programs	X[e]				X	
Student Literacy Corps[f]						

[a]JTPA programs base eligibility on whichever is higher, the official poverty guidelines or 70 percent of the regionally adjusted Lower Living Standard Income Level.

[b]Eligibility varies by state because of differences in state criteria for AFDC eligibility.

[c]Uses two measures: (1) household income after exclusions and deductions, as defined by the Gross Income Standard for households, that include an elderly or disabled member or (2) household income after exclusions but before deductions for households that do not include an elderly or disabled member.

[d]Uses two measures: "Low-income" does not exceed 80 percent of area's median income while "very low-income" does not exceed 50 percent of the area's median income.

[e]This program allows educational institutions to use several low-income measures, as well as "other indices of economic status," with the approval of the Department of Education.

[f]While program is targeted to the economically disadvantaged, the program requirements do not include a specific definition of income or related financial eligibility information.

DIFFERENT STANDARDS FOR DEFINING A FAMILY OR HOUSEHOLD USED BY PROGRAMS TARGETING ECONOMICALLY DISADVANTAGED

Program	Family or household assistance unit includes...				
	Persons related by blood, marriage or court decree	Unrelated dependents of head of household	Other unrelated persons if needed by child	Those who purchase & cook food together	Unrelated if elderly also present
JTPA IIA Training Services for the Disadvantaged-Adult	X				
JTPA IIA State Education Programs	X				
JTPA IIA Incentive Grants	X				
Job Opportunities and Basic Skills Training			X		
Food Stamp Employment and Training				X	
Family Self-Sufficiency Program					X
Educational Opportunity Centers		X			
Vocational Education-Basic State Programs[a]					
Student Literacy Corps[b]					

[a]Complex family or household assistance unit definitions, which can vary by state.

[b]Family or household not defined.

INCOME DEFINITIONS FOR PROGRAMS TARGETING THE ECONOMICALLY DISADVANTAGED

Program	Differences in income criteria				
	Income excludes UI	Uses IRS taxable income including capital gains	Includes all earned income	Excludes 20% of earned income	Excludes $30 + one-third of earned income first 4 months
JTPA IIA Training Services for the Disadvantaged-Adult	X		X		
JTPA IIA State Education Programs	X		X		
JTPA IIA Incentive Grants	X		X		
Job Opportunities and Basic Skills Training					X
Food Stamp Employment and Training				X	
Family Self-Sufficiency Program			X		
Educational Opportunity Centers		X	X		
Vocational Education-Basic State Programs[a]					
Student Literacy Corps[b]					

[a]Excluded from analysis because of wide latitude that states can exercise in determining income.

[b]Program requirements do not include a technical definition of income.

OLDER WORKER PROGRAMS DIFFER IN AGE REQUIREMENTS

Program name	Minimum age required for admission	
	Age 55	Age 60
JTPA Older Worker	X	
Senior Community Service Employment	X[a]	
Foster Grandparent		X
Senior Companion		X

[a]Priority is given to applicants 60 years of age or older.

LOWER AND UPPER AGE LIMITS FOR YOUTH PROGRAMS

Program	Lower and upper age limits					
	11 -27	13 -19	14 -21	16 -20	16 -21	16 -24
JTPA IIC Disadvantaged Youth					X	
JTPA IIC Disadvantaged Youth-Incentive Grants					X	
JTPA IIC Disadvantaged Youth-State Education Programs					X	
JTPA IIB Summer Youth Employment and Training Program (Regular)			X			
JTPA IIB Summer Youth Employment and Training Program (Native American)			X			
JTPA Job Corps					X	
Youth Fair Chance			X			
Transitional Living for Runaway and Homeless Youth					X	
Independent Living				X		
School Dropout Demonstration Assistance[a]						
Vocational Education-Community Based Organizations					X	
Upward Bound		X				
Talent Search	X					
School to Work[b]						
Federal Employment for Disadvantaged Youth-Summer					X	
Youthbuild						X

[a]Program requirements include a minimum age of 16, but no upper age limit.

[b]Program is proposed in fiscal year 1994 budget.

DEFINITIONS OF JOB LOSS AMONG DISLOCATED WORKER PROGRAMS

Program	Notice of layoff accepted	Date of hire/layoff restricted	Reduced hours and wages accepted	Voluntary separation accepted
JTPA-EDWAA-Dislocated Workers (Substate Allotment)	X			
JTPA-EDWAA-Dislocated Workers (Governor's Discretionary)	X			
JTPA-EDWAA-Dislocated Workers (Secretary's Discretionary)	X			
JTPA Defense Conversion Adjustment Program	X			
JTPA Clean Air Employment Transition Assistance	X			
JTPA Defense Diversification	X	X		X
Trade Adjustment Assistance-Workers		X	X	
Vocational Education-Demonstration Centers for the Retraining of Dislocated Workers[a]				
Transition Assistance Program	X	X		

[a]This program does not have a specific definition for dislocated workers.

APPENDIX XI

TERMS RECOMMENDED FOR STANDARDIZING BY PROGRAM ADMINISTRATORS

adult
allowable support services
applicant
assessment
at risk
at-risk youth
barrier to employment
basic academic skills
basic employability skills
case closure
case management
citizenship
client
competencies
completer
confidentiality
coordination
core demographic characteristics
counseling
dependent
disallowed income
dislocated worker
displaced homemaker
economically disadvantaged
educational placement
educationally disadvantaged
emancipated youth
employability development plan
employable
employed
enrollment
entered employment
exemplary programs
family
family income
follow-up
foster child
gross wages
handicapped
holding status/period of known activity
homeless
income disregard
individual
job development
job placement
job ready
job retention
limited English proficiency
limited work experience
literacy
long-term unemployed
long-term welfare recipient
migrant farmworker
migrant food processing worker
needs-based payments
not in labor force
obligated funds
obtained employment
offender
older worker
on-the-job training
ownership of resources
participant
performance measurement/standards
personal income
personal management skills
placed in unsubsidized employment
potential dropout
public assistance
race/ethnic group
recently separated veteran
recidivism
resources/assets
resources on order
retention
school dropout
seasonal farmworker
student
subsidized job
substance abuse
suitable employment
teenage parent
termination
underemployed
unemployed individual
unsubsidized job
veteran
Vietnam-era veteran
work experience
youth
youth AFDC recipient

PROGRAMS WITHIN FOUR TARGET GROUPS DIFFER IN DEFINITION OF ANNUAL OPERATING CYCLE

Target group/program	Annual operating cycles			
	Jan. 1 - Dec. 31	July 1 - June 30	Sept. 1 - Aug. 31	Oct. 1 - Sept. 30
Older Workers				
Senior Community Service Employment Program		X		
JTPA IIA Training Programs for Older Individuals		X		
Foster Grandparent Program				X
Senior Companion Program				X
Dislocated Workers				
JTPA EDWAA-Dislocated Workers (Substate Allotment)		X		
JTPA EDWAA-Dislocated Workers (Governor's Discretionary)		X		
JTPA EDWAA-Dislocated Workers (Secretary's Discretionary)		X		
JTPA Defense Conversion Adjustment		X		
JTPA Clean Air Employment Transition Assistance		X		
JTPA Defense Diversification		X		
Trade Adjustment Assistance-Workers				X
Vocational Education-Demonstration Centers for the Retraining of Dislocated Workers		X		
Transition Assistance Program				X
Economically Disadvantaged				
JTPA IIA Training Services for the Disadvantaged-Adult		X		
JTPA IIA State Education Programs		X		
JTPA IIA Incentive Grants		X		
Job Opportunities and Basic Skills Training				X
Food Stamp Employment and Training				X
Family Self-Sufficiency Program				X
Vocational Education-Basic State Programs		X		

Target group/program	Annual operating cycles			
	Jan. 1 - Dec. 31	July 1 - June 30	Sept. 1 - Aug. 31	Oct. 1 - Sept. 30
Educational Opportunity Centers			X	
Student Literacy Corps			X	
Youth				
JTPA IIC Disadvantaged Youth		X		
JTPA IIC Disadvantaged Youth-Incentive Grants		X		
JTPA IIC Disadvantaged Youth-State Education Programs		X		
JTPA IIB Training Services for the Disadvantaged-Summer Youth Employment and Training Program (Regular)	X			
JTPA IIB Summer Youth Employment and Training Program (Native American)	X			
JTPA Job Corps		X		
Youth Fair Chance		X		
Transitional Living for Runaway and Homeless Youth				X
Independent Living				X
School Dropout Demonstration Assistance				X
Vocational Education-Community Based Organizations		X		
Upward Bound			X	
Talent Search			X	
School to Work		X		
Federal Employment for Disadvantaged Youth-Summer				X
Youthbuild				X

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